

# Commonwealth of Massachusetts



## **Reports on Compliance and Internal Controls in Accordance with Government Auditing Standards and the Requirements of OMB Circular A-133 and the Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended June 30, 2004*

***Martin J. Benison, CGFM***  
*State Comptroller*

*This document and related information are available at*



*"Your Government, Your Way"*

*The Office of the Comptroller's home page is [www.mass.gov/osc/](http://www.mass.gov/osc/)*



### **Norman Rockwell Museum**

Photograph by Art Evans

The Norman Rockwell Museum is one of the few museums in the country to have grown, literally, out of popular demand and celebrates its thirty-fifth anniversary in 2004. Located on Stockbridge's historic Main Street for its first 24 years, the Museum moved in 1993 to its present home, which was designed by the renowned architect Robert A. M. Stern and is situated on 36 picturesque acres overlooking the Housatonic River Valley. Since moving to its new location and greatly expanding its educational programming, exhibition schedule, and special events, the Museum has become the most popular year-round destination in the culturally rich Berkshires of western Massachusetts.

*Illustrations and text courtesy of the Norman Rockwell Museum, Stockbridge, MA  
Laurie Norton Moffatt, Director  
Linda Szekely Pero, curator of Norman Rockwell Collections  
Special thanks to Ellen Swan Mazzer, Communications Coordinator*

**Cover Illustration:** *Outward Bound*  
*Ladies Home Journal*, October 1927  
Licensed by Norman Rockwell Licensing, Niles, IL

**Commonwealth of Massachusetts Reports on Compliance and Internal  
Controls in Accordance with Government Auditing Standards and the  
Requirements of OMB Circular A-133 and the Schedule of Expenditures of  
Federal Awards for the Year Ended June 30, 2004**

**Table of Contents**

List of Principal State Officials .....	3
Organization of State Government.....	4
Advisory Board to the Comptroller .....	5
Acknowledgements.....	6
 Section I.....	 7
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based Upon the Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	9
 Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards .....	11
 Section II	
Schedule of Findings and Questioned Costs .....	15
 Section III	
Summary of Schedule of Prior Year Audit Findings .....	27
 Section IV	
Findings on Compliance and Reportable Conditions Pertaining to Internal Control Structure Based on the Audit of the Financial Statements .....	37
Massachusetts Commission Against Discrimination .....	39
Division of Capital Asset and Management.....	40
Department of Mental Retardation .....	41
Department of Social Services .....	43
Holyoke Soldiers' Home .....	45
Office of Child Care Services .....	48
Registry of Motor Vehicles .....	53
Office of the State Treasurer.....	55
Institutions of Higher Education.....	58
Bridgewater State College.....	59
Roxbury Community College .....	60
Springfield Technical Community College .....	63
Worcester State College .....	65
Findings Not Repeated From Prior Years .....	67

## Table of Contents (Continued)

### Section V

Findings on Compliance and Reportable Conditions Pertaining to Internal Control Structure Used in Administering Federal Programs .....	69
Office of the Comptroller.....	71
Division of Unemployment Assistance .....	76
Department of Education.....	77
Department of Revenue/Child Support Enforcement .....	88
Department of Public Health.....	92
Massachusetts Highway Department .....	95
Department of Social Services .....	102
Executive Office of Health & Human Services/Medical Assistance.....	116
Department of Elder Affairs .....	126
Executive Office of Public Safety.....	134
Office of Child Care Services .....	156
Department of Transitional Assistance .....	159
Institutions of Higher Education.....	166
Bunker Hill Community College.....	167
Bridgewater State College.....	169
Roxbury Community College .....	176

### Section VI

Report on Schedule of Expenditures of Federal Awards .....	179
Notes to Schedule of Expenditures of Federal Awards .....	190

## **CONSTITUTIONAL OFFICERS**

Mitt Romney  
*Governor*

Kerry Healey  
*Lieutenant Governor*

William F. Galvin  
*Secretary of State*

Thomas F. Reilly  
*Attorney General*

Timothy P. Cahill  
*Treasurer and Receiver-General*

A. Joseph DeNucci  
*Auditor*

## **LEGISLATIVE OFFICERS**

Robert E. Travaglini  
*President of the Senate*

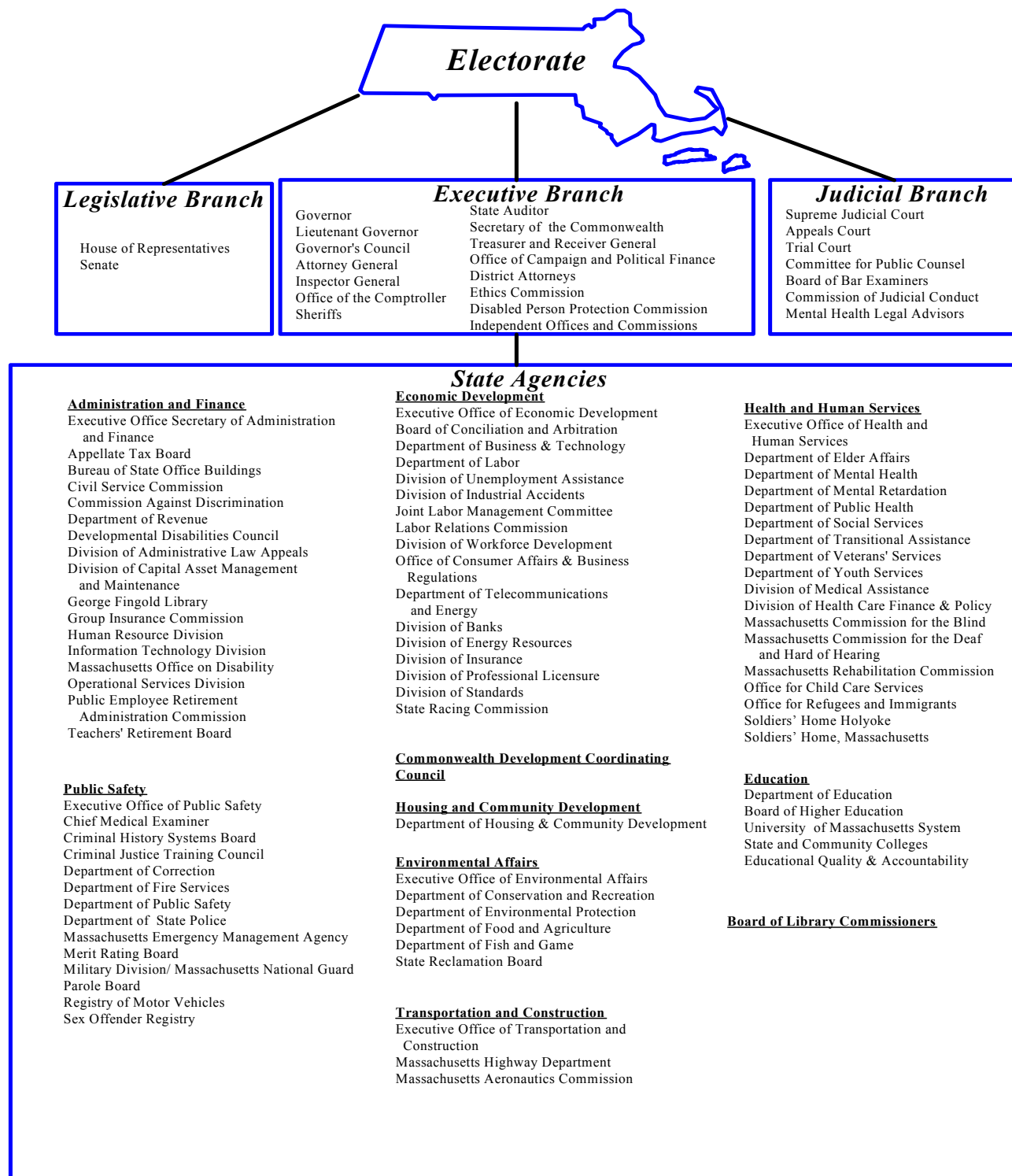
Salvatore F. DiMasi  
*Speaker of the House*

## **JUDICIAL OFFICERS**

Margaret H. Marshall  
*Chief Justice, Supreme Judicial Court*

Christopher J. Armstrong  
*Chief Justice, Appeals Court*

Robert A. Mulligan  
*Chief Justice for Administration and Management, Trial Court*



*\*As of June 30, 2004*

**ADVISORY BOARD TO THE COMPTROLLER**

Eric A. Kriss (Chair)  
*Secretary for Administration and Finance*

A. Joseph DeNucci  
*Auditor*

Timothy P. Cahill  
*Treasurer and Receiver-General*

Robert A. Mulligan  
*Chief Justice for Administration and Management, Trial Court*

Thomas F. Reilly  
*Attorney General*

Thomas M. Whitney  
*Gubernatorial Appointee*

Mel Alan Barkan  
*Gubernatorial Appointee*

**REPORT PREPARED BY:**

Eric Berman, CPA  
*Deputy Comptroller*

Marybeth Shaughnessy-Newell, CPA  
*Director, General Accounting*

Susan Dinkin, MPA  
*Single Audit Manager*

William Walsh, CGFM  
*Single Audit Coordinator*

Lauren Johnson  
*Layout and Design*  
*Director Resource Management*

Elizabeth Hemond  
*Administrator III*

Roseanne Reid  
*Administrative Assistant*